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United Nations

International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

Financial report and audited financial statements

for the biennium ended 31 December 2005 and

Report of the Board of Auditors

General Assembly
Official Records
Sixty-first Session
Supplement No. 5K (A/61/5/Add.11)

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United Nations • New York, 2006

Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

[28 July 2006]

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Letters of transmittal

31 March 2006

Dear Mr. Chairman,

In accordance with financial regulation 6.5, I have the honour to submit the accounts of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the biennium 2004-2005, which I hereby approve. The financial statements have been completed and certified as correct by the Controller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) Kofi A. **Annan**

Mr. Guillermo N. Carague
Chairman
United Nations Board of Auditors
New York

28 July 2006

Sir,

I have the honour to transmit to you the report of the Board of Auditors on the financial statements of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994, for the biennium ended 31 December 2005.

Accept, Sir, the assurances of my highest consideration.

(*Signed*) Guillermo N. **Carague**
Chairman
Philippine Commission on Audit
and Chairman
United Nations Board of Auditors

The President of the General Assembly
United Nations
New York

Chapter I

Financial report for the biennium ended 31 December 2005

A. Introduction

1. The Secretary-General has the honour to submit his financial report on the accounts of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the biennium 2004-2005. The accounts consist of four statements, the related notes and supplementary information contained in the annex to the present chapter.

2. The present financial report, the audited financial statements and the report of the Board of Auditors, along with the associated report of the Advisory Committee on Administrative and Budgetary Questions will be submitted to the General Assembly at its sixty-first session.

3. The present report, which is designed to be read in conjunction with the financial statements, can also be considered alone. Attached hereto is an annex, which includes technical information that is required by the Financial Regulations and Rules to be reported to the Board of Auditors.

B. Overview

4. Statements I to IV of the accounts summarize the financial results of the International Criminal Tribunal for Rwanda for the biennium 2004-2005. Statement I includes all categories of income and expenditures incurred during the biennium. Statement II includes a summary of assets, liabilities and reserves and fund balances as at 31 December 2005. Statement III summarizes the Tribunal's net cash flows for the period, and Statement IV shows the appropriation and expenditures against the appropriation during the biennium.

5. The cash position of the International Criminal Tribunal for Rwanda has improved since the last biennium. As at 31 December 2005, unpaid assessments totalled $11.4 million, which represents a decrease of 67 per cent from the position at 31 December 2003. Consequently, the Tribunal has repaid loans of $28.0 million that were outstanding as at 31 December 2003, and had cash and term deposits on hand totalling $10.6 million as at 31 December 2005, compared with $1.3 million as at the end of 2003.

6. The budget of the International Criminal Tribunal for Rwanda for the biennium 2004-2005 totalled $252.6 million, as appropriated by the General Assembly in its resolutions 58/253, 59/273 and 60/240. Against this amount, actual expenditures for the biennium totalled $252.5 million, leaving a small unencumbered balance of $0.1 million. The 2004-2005 total expenditure of $252.5 million represented an increase of 21 per cent over the total expenditures of $208.3 million in the biennium 2002-2003. The following table shows the amount of expenditure by functional category:

(Thousands of United States dollars)

Functional category	*2005*	*2003*
Staff and other personnel costs	206 949	161 106
Travel	9 242	9 084
Contractual services	17 631	18 581
Operating expenses	12 409	13 561
Acquisitions	4 376	5 159
Other	1 927	852
Total	**252 534**	**208 343**

The following table shows expenditure by functional category as a percentage of the total:

(Percentage of total expenditure)

Functional category	*2005*	*2003*
Staff and other personnel costs	81.9	77.3
Travel	3.7	4.4
Contractual services	7.0	8.9
Operating expenses	4.9	6.5
Acquisitions	1.7	2.5
Other	0.8	0.4
Total	**100.0**	**100.0**

7. At the end of 2005 the accounts of the International Criminal Tribunal for Rwanda showed a fund balance of $18.0 million, comprising $2.6 million in reserves brought forward, $5.6 million in savings on cancellation of prior-period obligations and an excess of income over expenditure during the biennium 2004-2005 in the amount of $9.8 million.

Annex

Supplementary information

1. The present annex includes supplementary information that the Secretary-General is required to report.

Write-off of losses of cash and receivables

2. No receivables were written off during the biennium 2004-2005.

Write-off of losses of property

3. In accordance with financial rule 106.9, property losses amounting to $63,665 were written off during the biennium 2004-2005. The losses are based on the original cost of the properties, and include write-offs arising from shortfalls, theft, damages and accidents. The write-offs bring the recorded balances of the properties to the same levels as those shown in the property records for the actual quantities on hand. A summary statement showing the inventory values of non-expendable equipment as well as property write-offs was provided to the Board in accordance with financial rule 106.9.

Ex gratia payments

4. There were no ex gratia payments during the biennium 2004-2005.

Chapter II
Report of the Board of Auditors

Summary

The Board of Auditors has reviewed the operations of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 and has also audited its financial statements for the biennium ended 31 December 2005.

The Board issued an unqualified audit opinion on the financial statements for the Tribunal for the biennium ended 31 December 2005 (see chap. III).

Implementation of previous recommendations

As requested by the Advisory Committee on Administrative and Budgetary Questions in its reports A/59/736, paragraph 8, and A/60/387, paragraphs 12 and 20, the Board evaluated the ageing of its previous recommendations that had not yet been fully implemented and has indicated the financial period in which such recommendations were first made in the annex to the present chapter. Of a total of 40 recommendations, 29 (73 per cent) had been implemented, while four (10 per cent) were under implementation and seven (17 per cent) had not been implemented. Of the four recommendations not yet fully implemented, one (25 per cent) relates to the biennium 2000-2001, and of the seven recommendations not yet implemented, three (43 per cent) relate to the biennium 2000-2001.

Financial overview for the biennium ended 31 December 2005

Total income increased by approximately 27 per cent, from $205 million in 2002-2003 to $262 million in 2004-2005. The increase of 29 per cent in the amount of assessed contributions, from $201.7 million in the prior biennium to $260.4 million in the biennium 2004-2005, mainly accounted for the increase in total income for the biennium under review.

Total expenditure increased by approximately 21 per cent, from $208 million in 2002-2003 to $252.5 million in 2004-2005. Of the total expenditure, 82 per cent ($207 million) related to personnel and 5 per cent ($12.4 million) related to operational requirements; the balance of 13 per cent ($33.1 million) represented travel, contractual services, acquisitions and other expenditures.

Assessed contributions receivable from Member States decreased by approximately 67 per cent, from $34.8 million in the biennium 2002-2003 to $11.4 million in 2004-2005. Overall, the financial situation of the Tribunal had improved, due mainly to the increased payments of assessed contributions by Member States. However, available cash remained insufficient to settle liabilities ($0.74 in cash available to cover every $1 in liabilities).

The total reserves and fund balances of $18 million as at 31 December 2005 were inadequate to cover the Tribunal's end-of-service and post-retirement benefit liabilities of $43.2 million.

Completion strategy

As of May 2006, the trials of 27 accused were completed, for which 21 judgments were handed down. Of these 27 accused, 24 were convicted and 3 acquitted. Trials involving another 27 accused were in progress. Furthermore, 15 detainees were awaiting trial; the Prosecutor intended to transfer 5 of them to national jurisdictions. There were still 18 indicted persons at large. The Prosecutor intended to request the transfer of 12 of these cases to national jurisdictions for trials.

The Tribunal was in the process of negotiating the possible transfer of cases to national jurisdictions; however, several constraints were identified by the Tribunal, which may prevent the transfer of certain cases. The main constraint was that countries were not willing to accept the transfer of these cases, with the exception of Rwanda. Other constraints related to such matters as laws of States that may not confer jurisdiction over suspects or the crimes they allegedly committed. Moreover, many of the suspects were in developing countries where judicial systems were under strain. The Tribunal did not have a comprehensive action plan to systematically address all possible constraints that may hinder it from completing its mandate by 2010.

As of May 2006, the Tribunal informed the Board that it was still difficult at that stage to indicate a completion strategy for the Appeals Chamber, as it was linked to the completion strategy of the International Tribunal for the Former Yugoslavia.

Legal aid system

The Tribunal tried to implement the recommendations of the consultant. However, this had led to strikes by defence counsel, who refused to come to scheduled hearings if the provisions were not relaxed. In addition, practical difficulties continued regarding the collation of financial information to assess the accumulated assets of accused persons in order to determine their eligibility for legal aid. As of May 2006, the matter remained unresolved and all detainees continued to be treated as indigent.

Defence counsel expenditure

The lump-sum payment system was not applied to multiple-accused cases, as the efficiency and effectiveness of the system was still under consideration.

Non-expendable equipment

The Board was unable to confirm the existence of two assets selected with a total value of $175,782. Although the assets had been recorded in the field assets control system, the Board noted that the location details contained therein did not match the physical location of eight assets selected.

Procurement and contract management

Excessive lead times in the procurement process continued during the biennium 2004-2005. Time elapsed between the date of requisition and approval of the

requisitions ranged from 39 to 121 days, and between the requisition approval date and purchase order approval date from 121 to 228 days.

The Board noted that the insurance clauses stipulated in three contracts with a combined value of $1.1 million were not supported by proof of insurance.

Supplier evaluations were not in all instances performed before the extension of vendor contracts.

The Board noted that two contracts had exceeded their maximum award amounts without prior approval. However, the Procurement Section continued procuring on the basis of these contracts.

Human resources management

Incomplete reference checks or none at all were done for 193 recruited staff members.

Vacancy rates remained unchanged from the 11 per cent overall vacancy rate reported for the previous biennium.

The Board noted that some posts had been vacant from May 2002 to August 2004.

Information and communication technology

It was possible to gain access to the server room without any difficulty, as the door was not locked and no one was present in the room. The boxes to the network cabling and related switches were in all instances easily accessible. The uninterrupted power supplies were also located in the corridors of the Tribunal, accessible to all.

Fraud and presumptive fraud

The Administration reported to the Board six cases of fraud and presumptive fraud amounting to $33,333, of which $23,972 was recovered. In one case, the Tribunal found that no wrongdoing/fraud had been committed. Although some steps have been taken to identify mechanisms to deal with fraud, a fraud-prevention strategy was yet to be compiled as at 11 April 2006. The crisis prevention strategy dealt mainly with human resources, finance and asset management cycles, specifically addressing weaknesses and measures to prevent management crises.

Recommendations

A summary of the main recommendations of the Board is set out in paragraph 10 below.

A. Introduction

1. The Board of Auditors has audited the financial statements and reviewed the operations of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the period from 1 January 2004 to 31 December 2005, in accordance with General Assembly resolution 74 (I) of 7 December 1946. The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto (see ST/SGB/2003/7), as well as the common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency and the International Standards on Auditing. Those standards require that the Board plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

2. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements of the International Criminal Tribunal for Rwanda presented fairly its financial position as at 31 December 2005 and the results of operations and cash flows for the biennium then ended, in accordance with the United Nations system accounting standards. This included an assessment as to whether the expenditures recorded in the financial statements for the period from 1 January 2004 to 31 December 2005 had been incurred for the purposes approved by the governing bodies and whether income and expenditure had been properly classified and recorded in accordance with the Financial Regulations and Rules and the United Nations system accounting standards. The audit included a general review of financial systems and internal controls and a test examination of accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

3. In addition to the audit of the accounts and financial transactions, the Board carried out reviews under financial regulation 7.5. The reviews focused primarily on the efficiency of financial procedures, the internal financial controls and, in general, the administration and management of the Tribunal.

4. The Board continued its practice of reporting to the Administration the results of specific audits through management letters containing detailed observations and recommendations. This practice allowed for an ongoing dialogue with the Administration.

5. The present report addresses matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, the views of which have been appropriately reflected in the report.

6. A summary of the Board's main recommendations is contained in paragraph 10 below. The detailed findings are reported in paragraphs 12 to 157.

1. Previous recommendations not fully implemented

Biennium ended 31 December 2003

7. In accordance with General Assembly resolution 48/216 B of 23 December 1993, the Board also reviewed the measures taken by the Administration to implement the recommendations made in its report for the biennium ended 31 December 2003. Details of the action taken and the comments of the Board are included in the report and have been summarized in the annex to the present chapter. Of a total of 40 recommendations, 29 (73 per cent) had been implemented, while four (10 per cent) were under implementation and seven (17 per cent) had not been implemented.

Ageing of previous recommendations

8. The Board evaluated the ageing of its previous recommendations that had not yet been fully implemented (as requested by the Advisory Committee on Administrative and Budgetary Questions in A/59/736, para. 8, and A/60/387, paras. 12 and 20). The financial period in which such recommendations were first made is also indicated in the annex to the present chapter.

9. Of the four recommendations not yet fully implemented, one (25 per cent) relates to the biennium 2000-2001, and of the seven recommendations not yet implemented, three (43 per cent) relate to the biennium 2000-2001.

2. Main recommendations

10. The Board's main recommendations are that the Tribunal:

Completion strategy

(a) **Identify all possible constraints that may negatively affect the completion of its mandate by 2010 and implement an action plan to address them (para. 41);**

(b) **Expedite the preparation of the completion strategy for the Appeals Chamber in consultation with the International Tribunal for the Former Yugoslavia (para. 44);**

Defence counsel expenditure

(c) **Evaluate the effectiveness of the lump-sum system of legal aid regarding, first, the single-accused cases and then consider the feasibility of applying this system to multiple-accused cases (para. 57);**

Non-expendable equipment

(d) **Monitor closely all movements of assets and update the asset records accordingly to ensure the accuracy and completeness of the information, as required by the Financial Regulations and Rules (para. 72);**

Procurement and contract management

(e) **Evaluate the reasons for the lengthy delays at the various stages of the procurement cycle and take measures to shorten them to a reasonable duration (para. 77);**

(f) **Request vendors to provide evidence of the insurance coverage taken out, upon the signing of the contract, as stipulated in the contracts (para. 87);**

(g) **Perform supplier evaluations of existing vendors prior to extending or renewing contracts with the same vendor (para. 95);**

(h) **Closely monitor ex post facto submissions and address the underlying causes of those submissions that do not meet the definition of exigency (para. 100);**

Human resources management

(i) **Conduct reference checks on all new eligible candidates in accordance with its agreed procedures and maintain accurate and complete records of such reference checks (para. 112);**

(j) **Continue its efforts to reduce vacancy rates (para. 119);**

(k) **Update on a regular basis the Field Personnel Management System (para. 120);**

Information and communication technology

(l) **Institute stricter physical security controls on access to all significant and critical information and communication technology equipment in order to prevent potential losses of critical equipment and data (para. 139);**

Fraud and presumptive fraud

(m) **Develop and approve a fraud-prevention strategy in coordination with the administrations of the United Nations and the other funds and programmes (para. 157).**

11. The Board's other recommendations appear in paragraphs 26, 29, 52, 67, 74, 82, 83, 88, 91, 92, 106, 107, 109, 115, 116, 125, 129, 136, 137 and 142.

B. Detailed findings and recommendations

1. Financial overview

12. The Board performed an analysis of the financial position of the International Criminal Tribunal for Rwanda as at 31 December 2005. The results of some key financial indicators are set out in table 1.

Table 1
Ratios of key financial indicators

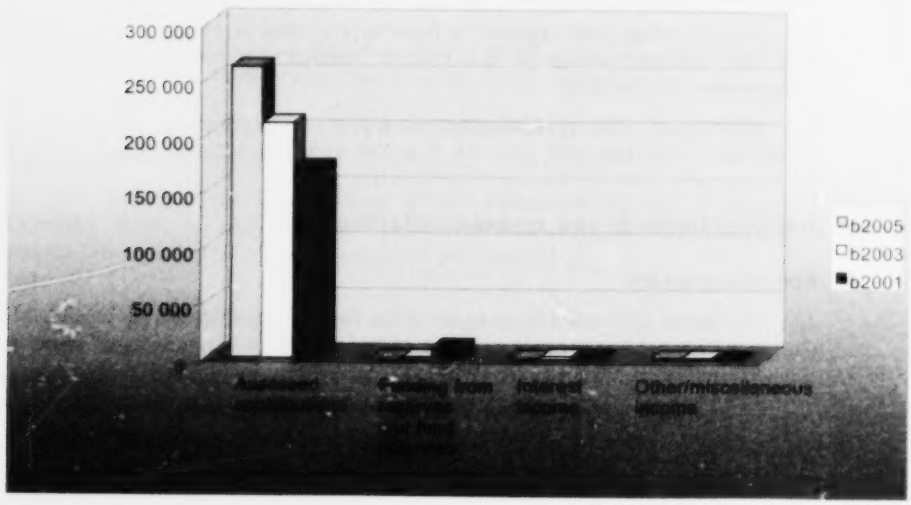
Ratio of	Biennium 2000-2001	2002-2003	2003-2005
Assessed contributions outstanding to total assets[a]	0.64	0.66	0.42
Cash to liabilities[b]	0.22	0.08	0.74
Cash to total assets[c]	0.18	0.07	0.36

[a] A low indicator may depict a healthy financial position.
[b] A high indicator reflects the extent of cash available to settle debts.
[c] A high indicator reflects a healthy liquidity position.

13. Total income increased by approximately 27 per cent, from $205 million in 2002-2003 to $262 million in 2004-2005. The increase of 29 per cent in the amount of assessed contributions, from $201.7 million in the prior biennium to $260.4 million in the biennium 2004-2005, mainly accounted for the increase in total income for the biennium under review. The amount of assessed contributions receivable from Member States decreased by approximately 67 per cent, from $34.8 million in 2002-2003 to $11.4 million in 2004-2005.

14. Figure I provides a graphic analysis of income for the past three bienniums.

Figure I
Graphic analysis of income for the past three bienniums
(Thousands of United States dollars)

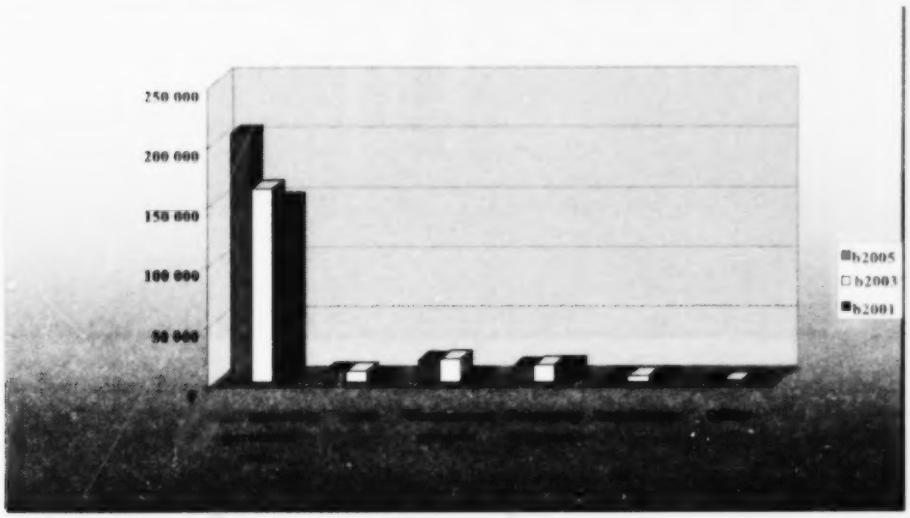


15. Total expenditure increased by approximately 21 per cent, from $208 million in 2002-2003 to $252.5 million in 2004-2005. Of the total expenditure, 82 per cent ($207 million) related to personnel, 5 per cent ($12.4 million) related to operational requirements and the balance of 13 per cent ($33.1 million) represented travel, contractual services, acquisitions and other expenditures. Staff and other personnel costs increased by 28 per cent, from $161.1 million in the prior biennium to $207 million. This was due mainly to the filling of Professional posts, after the freeze on the filling of posts was lifted during the biennium. Figure II provides an analysis of expenditure over the past three bienniums.

Figure II

Graphic analysis of the Tribunal's expenses for the last three bienniums

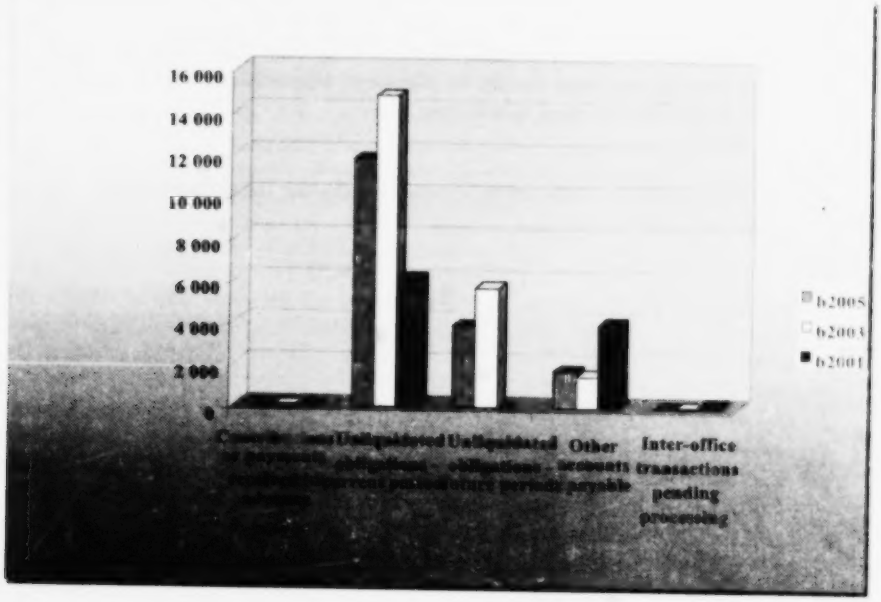
(Thousands of United States dollars)



16. The statement of income and expenditure (statement I) of the Tribunal for the biennium ended 31 December 2005 reflects a net excess of income over expenditure of approximately $9.8 million, compared with a shortfall of $3 million in 2002-2003. This increase was due mainly to the increase in assessed contributions.

17. Unliquidated obligations decreased by 24 per cent, from $20.4 million in the prior biennium to $15.6 million as at 31 December 2005. The Tribunal borrowed $28 million from peacekeeping operations during the previous biennium, which were repaid in full during the biennium 2004-2005. Figure III provides an analysis of liabilities over the past three bienniums.

Figure III
Graphic analysis of the Tribunal's main liabilities for the last three bienniums
(Thousands of United States dollars)

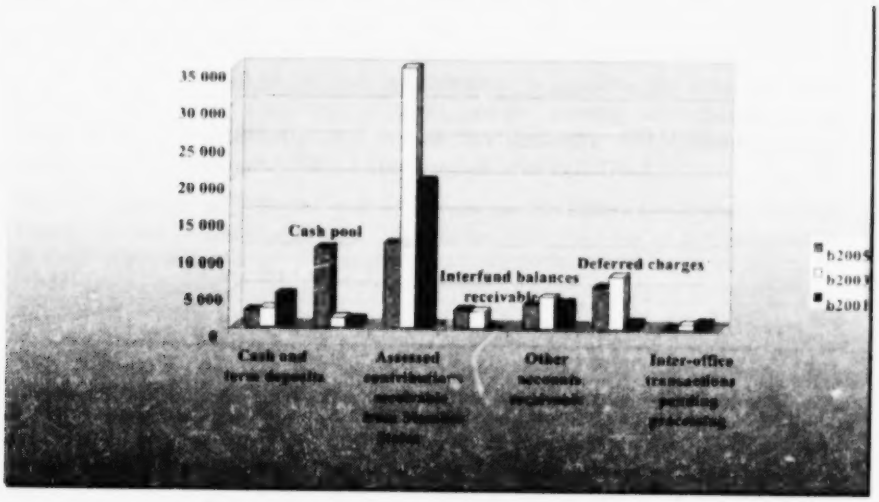


18. The total reserves and fund balances of the Tribunal increased from $2.6 million as at 31 December 2003 to $18 million at 31 December 2005. Total assets decreased from $52.5 million for the previous biennium to $35.4 million, as analysed in Figure IV.

Figure IV

Graphic analysis of the Tribunal's assets for the last three bienniums

(Thousands of United States dollars)



19. Overall, the financial situation of the Tribunal had improved, due mainly to the increased payments of assessed contributions by Member States. However, available cash remained insufficient to settle liabilities ($0.74 in cash available to cover every $1 in liabilities).

2. United Nations system accounting standards

20. The Board assessed the extent to which the financial statements of the Tribunal for the biennium ended 31 December 2005 conformed to the United Nations system accounting standards. The review confirmed that the financial statements were consistent with the standards.

3. Accounts receivable

21. Other accounts receivable amounted to $3.2 million as at 31 December 2005, including an amount of $394,414 that had been outstanding for longer than 12 months, as indicated in the table below.

Table 2
Debt ageing analysis
(United States dollars)

Accounts	More than 12 but less than 24 months	More than 24 months	Total
Staff	41 092	47 161	88 253
Special service agreements other	5 798	107 093	112 891
Vendors	6 396	17 835	24 231
Agencies	0	16 577	16 577
Governments	62 953	89 509	152 462
Total	**116 239**	**278 175**	**394 414**
Percentage	**30**	**70**	**100**

22. ST/AI/2004/2, on education grants, states in paragraph 6.2, "Any paid advance shall be considered as due from the staff member until the education grant claim has been received and processed or is recovered from the staff member ... Recovery from the staff member's emoluments shall take place after the third and fourth month of the end of the academic year". Paragraph 7.1 further states, "Claims for payment of the education grant shall be submitted promptly upon completion of the school year."

23. ST/AI/2000/20, on travel advances, states in paragraph 11.2, "Recovery of travel advances through payroll deduction shall be initiated if a staff member fails to submit a duly completed *F.10 form*, together with the supporting documentation, within two calendar weeks after completion of travel."

24. The major part of the $88,253 in staff debts outstanding for more than one year related to educational grants and travel advances. These types of staff debts should not be long outstanding, in accordance with existing directives. Furthermore, of a sample of the 12 staff debts selected ($20,941), only two of the staff members were still in the employ of the Tribunal. The lack of compliance with the directives may result in the amounts outstanding not being recovered, resulting in losses to the Tribunal.

25. The Tribunal informed the Board that claims were being scrutinized to ensure their strict conformity with established procedures and rules before they were settled. Due to a lack of required information from staff members themselves and other delays experienced with educational institutions, the Tribunal did not in all instances initiate recovery action immediately. Steps have been initiated to provide personnel with clear, detailed guidance to make them aware of what constitutes permissible and impermissible expenditure.

26. **The Board recommends that the Tribunal continue to follow up and clear all long outstanding staff debts to avoid any potential losses due to non-recovery.**

27. The other types of debt outstanding for more than two years consisted of amounts owed by defence counsel, employees on special service agreements,

judges, interns, journalists and others not employed by the Tribunal. The outstanding amounts owed were in respect of telephone bills and advances relating to official travel assignments. The Tribunal followed up on these debts.

28. An analysis of the debt ledger for special service agreements/others indicated that 45 debtors had account balances ranging from $10 to $50. The recovery of individually small amounts of debts may not be cost-effective.

29. **The Board recommends that the Tribunal, in consultation with the United Nations Secretariat, assess the costs versus the benefits of recovering long-outstanding amounts, especially the smaller amounts, and take appropriate action in accordance with United Nations financial rule 106.8.**

30. An amount of $58,890 was due from the Rwandan Government for the reimbursement of taxes paid. The Tribunal had submitted claims for that amount, but the Government took a decision not to reimburse it. As of April 2006, the Tribunal had drafted a memo to submit to Headquarters to follow up on this issue relating to the tax exemption status under the Convention on the Privileges and Immunities of the United Nations.

4. Liabilities for annual leave, end-of-service benefits and post-retirement benefits

31. The Board recommended in paragraph 30 of its previous report[1] that the Tribunal, in conjunction with the United Nations Secretariat, review the targets and funding mechanism for end-of-service and post-retirement benefit liabilities.

32. The Tribunal disclosed in note 7 to the financial statements accrued liability of $24.7 million for post-retirement health benefits as at 31 December 2005. In addition, accrued annual leave and other termination benefits disclosed amounted to $10.6 million and $7.9 million, respectively. The total reserves and fund balances of $18 million as at 31 December 2005 were inadequate to cover the Tribunal's liability of $43.2 million for end-of-service and post-retirement benefits.

33. The Tribunal still excluded the liabilities for the post-retirement benefits for judges, a practice previously reported by the Board.[2] In part II of the report of the Secretary-General on staff retention and legacy issues relating to the Tribunal (A/60/436), the attention of the General Assembly was drawn to the continuation of a number of functions after the completion of the mandates of the Tribunal. These involve judicial, legacy and administrative issues. On the administrative side, one of the issues relates to the provision for payment of pension to judges and surviving spouses after the closure of the Tribunals. The Tribunal informed the Board that efforts by both Tribunals have been ongoing, in consultation with the Office of Legal Affairs and the Department of Management, to develop a final position and recommendations on all aspects of these issues, to be submitted to the General Assembly for its consideration in the context of the proposed 2008-2009 budget.

5. Write-offs of losses

34. Property written off during the biennium amounted to $86,297, due to accidents ($27,269), damages ($32,981) and thefts and losses ($26,047), in

[1] *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 5B* (A/59/5/Add.11), chap. II.

[2] Ibid., para. 29.

comparison with $19,562 in the previous biennium. In addition, $601,854 in obsolete property was written off, sales and returns were $19,180 and $185,636 in adjusting entries were processed.

6. Ex gratia payments

35. The Tribunal informed the Board that no ex gratia payments had been made during the biennium 2004-2005.

7. Completion strategy and implementation

36. The Board had recommended in paragraph 40 of its 2000-2001 report[3] that the Tribunal develop and implement a completion strategy. The Tribunal submitted the first version of its completion strategy to the United Nations on 14 July 2003. That version was prepared in the context of paragraph 15 (a) of General Assembly resolution 57/289. Two revised versions were also submitted to the United Nations, on 29 September 2003 and 30 April 2004, providing information on, inter alia, progress made towards implementing the completion strategy.

37. On 26 March 2004, the Security Council adopted resolution 1534 (2004). In that resolution, the Security Council requested the International Criminal Tribunal for Rwanda, as well as the International Tribunal for the Former Yugoslavia, to provide to the Council by 31 May 2004, and every six months thereafter, assessments by its President and Prosecutor, setting out in detail the progress made towards implementation of its completion strategy, explaining what measures had been taken to implement it and what measures remained to be taken. The latest report for the biennium under review was provided to the Council by the Rwanda Tribunal on 15 December 2005 (see S/2005/782).

38. According to that report, the Tribunal estimated that the cases involving the 26 accused whose trials were currently in progress would be completed from 2006 onwards. The status of implementation as at 19 May 2006 was as follows:

(a) The trials of 27 accused were completed, for which 21 judgments had been handed down. Of the 27 accused, 24 were convicted and 3 acquitted. Trials involving another 27 accused were in progress.

(b) Fifteen detainees were awaiting trial. The Prosecutor intended to transfer five of them to national jurisdictions. The trials of the remaining 10 detainees would start from 2006 onwards, depending on the availability of Trial Chambers and courtrooms.

(c) There were still 18 indicted persons at large. The Prosecutor intended to request the transfer of 12 of these cases to national jurisdictions for trials.

(d) The Prosecutor had completed investigations of 16 suspects during the biennium 2004-2005. The files involving eight of the suspects have been closed because of insufficient evidence, and indictments against the remaining eight were confirmed in mid-2005. Five of these persons remained at large and are included in the 18 persons mentioned in (c) above.

[3] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 5K* and corrigenda (A/57/5/Add.11 and Corr.1-3), chap. II.

39. The Board noted the following, which may have an impact on whether the Tribunal finalizes all trials as per the completion strategy:

(a) The Tribunal experienced difficulties arranging for witnesses to appear before the courts. The Tribunal informed the Board that this was due mainly to vacancies in the travel section, which made it unable to issue travel vouchers on a timely basis.

(b) Some court proceedings had to be postponed because of judges and counsel falling ill.

(c) An urgent need for military consultants was identified by the Tribunal, and the consultants had to be appointed on a temporary basis since no new posts could be created. Consultants could be appointed for a maximum period of only 24 months in a 35-month period. This led to a situation where consultants who were familiar with the trials had to be replaced by new consultants before cases were finalized.

(d) The legal interns could be appointed for a period of only six months. Subsequently, it took 15 to 60 days to finalize replacements. Furthermore, the new interns had to gain knowledge of the related cases, resulting in some delays.

(e) The Tribunal was in the process of negotiating the possible transfer of cases to national jurisdiction, but identified several constraints. The Tribunal informed the Board that the main constraint was that countries were not willing to accept the transfer of these cases, with the exception of Rwanda. Other constraints related to such matters as laws of States that may not confer jurisdiction over suspects or the crimes they allegedly committed in the countries which they currently reside and the fact that many of the suspects were in developing countries where judicial systems were under strain.

40. The Tribunal did not have a comprehensive action plan to systematically address all possible constraints that may hinder it from completing its mandate by 2010.

41. **The Board recommends that the Tribunal identify all possible constraints that may negatively affect the completion of its mandate by 2010 and implement an action plan to address them.**

Appeals Chamber

42. The Board recommended in paragraph 46 (b) of its previous report[1] that the Tribunal prepare a completion strategy for the Appeals Chamber in consultation with the International Tribunal for the Former Yugoslavia.

43. The Tribunal informed the Board that as of May 2006, it was still difficult to indicate a completion strategy for the Appeals Chamber, as it was linked to the completion strategy of the International Tribunal for the Former Yugoslavia. It was further noted that all but two judgments of the Rwanda Tribunal had been appealed. The Tribunal further informed the Board that at some stage there might also be a need to increase the number of judges in the Appeals Chamber. This would, however, require an amendment of the statute.

44. **The Board recommends that the Tribunal expedite the preparation of the completion strategy for the Appeals Chamber in consultation with the International Tribunal for the Former Yugoslavia.**

Kigali Investigations Unit

45. The Board reported in paragraph 47 of its previous report[1] that the Investigations Unit in Kigali would be closed at the end of 2004. However, it was still in operation in May 2006.

46. The Tribunal informed the Board that the Unit continued to provide support for ongoing trials and the tracking of indicted persons at large. The Unit also assisted Member States in following up leads when informal transfers of cases were made to national jurisdictions. The Tribunal further informed the Board that the Investigations Unit in Kigali would be closed only when all trial sessions were finalized.

8. Legal aid system

47. Article 2 of the Directive on the Assignment of Defence Counsel guarantees the right of suspects and accused individuals to be assisted by counsel. Article 3 states that they may be assigned counsel, subject to certain conditions, at no charge to them if they are unable to afford counsel. Article 4 provides that persons are considered indigent if they do not have sufficient means to engage counsel of their choice. The Board had recommended in paragraph 48 of its 2000-2001 report[3] that the Tribunal establish clear and quantitative criteria to determine whether a detainee qualifies or partly qualifies for legal aid.

48. A primary area of concern of the Tribunal, as stated in paragraph 52 of the Board's previous report,[1] had been the manner in which suspects and accused individuals were deemed unable to afford counsel, which entitles them to receive legal aid.

49. The Tribunal had retained a consultant during the previous biennium, and the consultant made a number of recommendations.[4] The Tribunal tried to implement these recommendations, but this led to strikes by defence counsel, who refused to come to scheduled hearings if the provisions were not relaxed. In addition, the practical difficulty continued regarding the collation of financial information to assess the accumulated assets of accused persons in order to determine if they qualified for legal aid. As of May 2006, the matter remained unresolved and all detainees continued to be treated as indigent.

Verification of the financial position of accused individuals

50. The financial investigator appointed in September 2003 had been conducting investigations of the claims of indigence of accused persons. The Tribunal informed the Board that the financial investigator's presence and detailed scrutiny of financial records had assisted in deterring the possibility of fee-splitting and abuse of the legal aid scheme.

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[4] See *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 5K*, (A/59/5/Add.11), chap. II, paras. 51-60.

51. The information relating to the financial position of the accused persons compiled by the financial investigator was provided to Member States and organizations for confirmation and feedback. The Tribunal did not receive any responses, despite following up on this matter with the parties concerned. Therefore, investigations could not be finalized conclusively.

52. **The Board recommends that the Tribunal continue its efforts to verify the financial position of the accused.**

9. Defence counsel expenditure

53. The Board had previously expressed concerns regarding the control of defence counsel costs. The Defence Counsel Management Section had continued to take steps to limit defence counsel expenditures. These measures included focusing assistance on counsel who were involved in trials or appeals rather than those involved at the pretrial phase; obtaining plans of action from counsel and checking claims against them; limiting the number of investigators per case; and determining how many hours of work are reasonable for certain activities and requesting supporting documentation in respect of claims.

54. For the biennium 2004-2005, 98 per cent of the defence teams submitted details of their claims within 30 days for remuneration and reimbursement of expenses.

55. The Registrar had also approved the implementation of the lump-sum system for single-accused cases in all phases. The Tribunal expected to implement the lump-sum payment method for most defence teams in single-accused cases by the beginning of May 2006. In this system, a fixed sum of legal-aid funds was to be allocated for a particular case and paid out over the period of the case, whereas in the previous system counsel were paid upon the presentation of invoices, without a limit on the sum to be spent per case.

56. However, the lump-sum payment system was not applied to multiple-accused cases, as the efficiency and effectiveness of the system were still under consideration.

57. **The Board recommends that the Tribunal evaluate the effectiveness of the lump-sum system of legal aid regarding, first, the single-accused cases and then consider the feasibility of applying this system to multiple-accused cases.**

10. Witness costs

58. The Tribunal was responsible for ensuring the attendance at trials of witnesses for both the prosecution and the defence. This task was carried out by the Witnesses and Victims Support Section of the Judicial and Legal Services Division of the Registry. Separate sections were responsible for prosecution and defence witnesses.

59. The Board previously reported that certain witnesses were brought to Arusha, with all costs charged to the Tribunal, only to leave without testifying.[5] For the period from January 2004 to December 2005, 390 (2002-2003: 169) prosecution witnesses were brought to the Tribunal of whom 15 (2002-2003: 8) were not called to testify. The Tribunal informed the Board that these witnesses were not called to

[5] Ibid., para. 73.

testify for the following reasons: 4 witnesses were dropped by the Office of the Prosecutor's trial teams, 1 did not testify because of a pending motion and 10 did not testify as planned because the length of the testimony of other witnesses did not enable them to do so before the end of the trial sessions.

60. For the period from January 2004 to December 2005, 192 (2002-2003: 315) defence witnesses were brought to Arusha, of whom seven (2002-2003: 14) did not testify. The Tribunal informed the Board that, in order not to lose court time, the witnesses did not testify because their intended testimony had been covered by preceding witnesses.

61. The Registrar had taken action to recover the costs involved from defence counsel. However, they could not be recovered, as it was found that the costs were not imputable to defence counsel but due to the duration of the court sessions.

11. Office of the Prosecutor

62. Pursuant to General Assembly resolution 57/289, the Office of Internal Oversight Services conducted a review, during June and July 2003, of the Office of the Prosecutor (see A/58/677). At the time of the review, one Prosecutor headed the Office of the Prosecutor for both the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia. On 28 August 2003, the Security Council created a separate post of Prosecutor for the International Criminal Tribunal for Rwanda. In summary, the Office of Internal Oversight Services found that arrangements for planning and monitoring needed to be strengthened; there was no completion strategy; there were delays in recruiting a Deputy Prosecutor; and best practices on Tribunal proceedings and management were not always shared between the two Tribunals.

63. The resident auditor continued to monitor progress in the implementation of the recommendations by requiring regular updates from the Office of the Prosecutor. Good practices were now being shared between the two Tribunals, at the levels of the two Prosecutors and the two Registrars. Monitoring mechanisms had been strengthened in the Office of the Prosecutor. The post of Deputy Prosecutor had also been filled.

12. Performance management

64. The General Assembly requested in its resolution 57/288 that the Tribunal's budget for the biennium 2004-2005 be prepared in a results-based-budgeting format, except in respect of the judicial functions of the Chambers. A results-based-budgeting format requires the linking of objectives and inputs to expected accomplishments to be measured by indicators of achievement.

65. The Board noted the following:

(a) In order to monitor the performance of all sections of the Tribunal, the use of workload indicators was introduced in January 2005. These workload indicators contained information such as the number of motions, applications and responses; trials under preparation; trials being prosecuted; trials completed; verdicts; appeals; guilty pleas; and witnesses obtained. However, these indicators were quantity-driven, not quality-driven. The Tribunal was considering a combination that included quality-driven measures as well, in order to increase the effectiveness of performance management;

(b) All staff involved in the process of results-based budgeting were trained;

(c) The budget for the biennium 2006-2007 was completed, taking into consideration the completion strategy, results-based-budgeting concepts and the workload indicators.

66. The Tribunal took the following measures in order to effectively monitor performance and the delivery of judicial and administrative support services, on the basis of the plan of action outlined in paragraph 99 of the Board's previous report:[1]

(a) Streamlining of operations and processes (which began in 2003 and was ongoing);

(b) Coordination and consultation (information-sharing) undertaken with the Programme Planning and Budget Division on lessons learned from the implementation of results-based budgeting and the conduct of a follow-up training programme;

(c) The development, enhancement or modification of benchmarks and standards to measure performance;

(d) The development and installation of a tracking system, still under implementation as of April 2006. An online database system had been designed to compile and generate on a quarterly basis the workload indicators. This database was the initial phase of the envisaged overall centralized monitoring and tracking system.

67. **The Board recommends that the Tribunal continue to make progress with regard to the implementation of results-based budgeting and the implementation of a more stringent central monitoring mechanism.**

13. Non-expendable equipment

68. The Tribunal disclosed in note 6 to the financial statements a closing balance value of $17.2 million (2002-2003: $14.5 million) for non-expendable equipment. Included in this balance was non-expendable equipment amounting to $175,525 approved for write-off but not yet disposed of and property pending write-off approval in the amount of $807,765.

Field assets control system

69. Financial rule 110.25 states, "(a) Complete and accurate records shall be maintained of supplies, equipment and other property purchased, received, issued, sold or otherwise disposed of, and remaining on hand." In order to confirm the existence of non-expendable equipment as reflected in the field assets control system (FACS), a sample of assets were selected from the system to be physically verified at the location indicated in FACS. The Board was unable to verify the existence of two assets selected with a value of $175,782.

70. In order to confirm the completeness of FACS, a sample of 42 non-expendable equipment items were selected from their physical location to be traced back to FACS. Although the assets had been recorded on FACS, the Board noted that the location details contained therein did not match the physical location of eight assets (19 per cent) selected. Furthermore, two items could not be found in FACS.

71. The deficiencies described above may result in losses of non-expendable equipment going undetected. The Tribunal informed the Board that the discrepancies were caused by an oversight on the part of the self-accounting units, as they did not always inform the Property Control and Inspection Unit of asset movements.

72. **The Board recommends that the Tribunal monitor closely all movements of assets and update the asset records accordingly to ensure the accuracy and completeness of information, as required by the Financial Regulations and Rules.**

Disposal of non-expendable equipment

73. The Board noted lengthy lead times between the submission of a request and the actual recommendation for write-off of assets by the Local Property Survey Board (up to 8 months) and the Headquarters Property Survey Board (up to 12 months). This may result in the Tribunal being exposed to a risk of losing income that it could earn from selling assets earlier, as the longer they remain unsold the less the sale value could be.

74. **The Board recommends that the Tribunal, in consultation with the United Nations Secretariat, expedite the asset write-off and disposal process.**

14. Procurement and contract management

Procurement lead times

75. The Board noted in paragraph 107 of its previous report[1] that procurement lead times were lengthy at various stages. The excessive lead times in the procurement process continued during the biennium 2004-2005. Lead times ranged from 39 to 121 days, between the date of requisition and approval of the requisitions and from 121 to 228 days between the requisition approval date and purchase order approval date.

76. The Tribunal informed the Board that its Procurement Section was analysing delays in the procurement cycle on a continuous basis. The present procurement system (Mercury) did not allow for proper reporting. However, an upgraded version was expected from the United Nations Procurement Service in July 2006. This version would interface with the Sun system and have approved reporting features, which would assist in the analysis of the procurement cycle. Furthermore, the Procurement Section of the Tribunal would undertake the following measures to provide training to the relevant personnel from other sections on their responsibilities vis-à-vis the Procurement Section:

(a) Conduct training sessions with the requisitioning sections;

(b) Look into the possibility of approaching the United Nations Procurement Service and using its trainers at the Tribunal to present training modules on the United Nations procurement cycle to requisitioners and Local Contracts Committee members;

(c) Hold meetings once a week, as it normally did, to assess the progress made on requisitions, purchase orders and the deliveries and identify areas where problems appear to exist.

77. **The Board reiterates its previous recommendations that the Tribunal evaluate the reasons for the lengthy delays at the various stages of the procurement cycle and take measures to shorten them to a reasonable duration.**

Tender process

78. Section 11.7.1 of the Procurement Manual states, "(a) Discussions with the prospective Vendors shall only take place where the Solicitation Document was a Request for Proposal. (b) Discussions with potential sources shall be performed taking into consideration the principle of equality and fair treatment of the prospective Vendors. (c) The purpose of such discussions is to clarify the requirements in the Solicitation Documents and the content of the Submission, not to add or delete requirements in the Solicitation Documents. The Solicitation Documents shall not be altered through the discussions, thereby skewing the foundation for the source selection."

79. The Board noted that for a contract for the provision of cleaning, janitorial and gardening services (contract value: $297,000), only one vendor (vendor A) was invited to clarify the content of the bidding document, while the original submissions made by the other bidders were considered as submitted. The result of this was that the bid price initially submitted by the vendor was adjusted, making it the lowest bid and resulting in that vendor being awarded the contract.

80. On the basis of the Local Contracts Committee minutes dated 31 March 2005 (ICTR/LCC/05/03), the Chief Procurement Officer stated that another vendor (vendor B), for cleaning, janitorial and gardening services, was not the lowest bidder. The Committee members requested an explanation for this assertion, since in the previous presentation vendor B appeared to be rated as the lowest bidder. The Chief Procurement Officer further stated during the meeting that vendor A was highest in terms of both technical and financial evaluation. On that basis the vendor was invited by the Tribunal to reduce its price in line with the budget allocated by changing the quantity of cleaners and materials for the same area but not the unit cost. The Building Management Service had also decided to reduce some services that were not very necessary, such as special lavatory maintenance, and upholstery cleaning. For comparison purposes, and as a result of the comments made at the previous Committee meeting, the Chief Procurement Officer prepared a similar reduced cost schedule for vendor B and some of the other bidders. However, instead of calling vendor B in to discuss the reduced cost option, the Chief Procurement Officer prepared a comparison based on the rates quoted in the original bids.

81. The Board is concerned that this incident may lead to unfair and unequal treatment of vendors, in contravention of the Procurement Manual.

82. **The Board recommends that the Tribunal comply with the Procurement Manual with regard to the principle of equality and fair treatment of all prospective vendors.**

83. **The Board further recommends that the Tribunal, in consultation with the Office of Internal Oversight Services, investigate contracts that may have been awarded under circumstances similar to those described above.**

Procurement contract insurance clauses

84. Section 13.6.3 of the Procurement Manual, "Standard Contract elements" states, "(k) In certain cases, additional terms on insurance shall be included in the Contract."

85. The insurance clause contained in the contracts of the Tribunal provides that the contractor shall obtain and maintain, for the duration of the contract, adequate insurance against all risks in respect of which it is obliged to indemnify the Tribunal under the contract and that the contractor shall, upon request, provide the Tribunal with satisfactory evidence of the insurance required.

86. The Board noted that the insurance clauses, stipulated in three contracts with a combined value of $1.1 million were not supported by proof of insurance. The Tribunal had also not followed up, subsequent to the signing of the contracts, whether the suppliers had taken out insurance coverage. Failure to furnish the Tribunal with a copy of the insurance policy is in itself non-compliance with the contract terms. In addition, the Tribunal's risk exposure is increased where suppliers fail to perform in accordance with the contract terms.

87. **The Tribunal agreed with the Board's recommendation to request vendors to provide evidence of the insurance coverage taken out, upon the signing of the contract, as stipulated in the contracts.**

88. **The Tribunal also agreed with the Board's recommendation to request from vendors with existing contracts proof of insurance coverage.**

89. The Tribunal informed the Board that an instruction had been issued to all procurement staff to ensure that evidence of required insurance was obtained from contractors.

Evaluation of prospective vendors

90. Evaluations of prospective vendors were not always carried out as required by section 7.6.2 of the Procurement Manual. Furthermore, the Board noted that a number of prospective vendors had not submitted the information required for the evaluation. Therefore, vendors could not be evaluated in the various categories although they were listed on the approved vendor roster.

91. **The Board recommends that the Tribunal perform prospective vendor evaluations to ensure that registered vendors meet the applicable criteria.**

92. **The Board further recommends that the Tribunal obtain, evaluate and file all the required information for prospective vendors as per the Procurement Manual prior to registering the vendor.**

93. Section 15.2 of the Procurement Manual states, "(a) The Procurement Officer in cooperation with the Requisitioner and SSS, or similar entity in the Mission/OAH, shall ensure that adequate Vendor Performance is conducted in accordance with section 7.11 of this Manual."

94. Supplier evaluations were not in all instances performed before the extension of vendor contracts. The Tribunal informed the Board that vendor evaluations were done after delivery has taken place or every six months. Failure to perform vendor evaluations may result in breach of contract, late delivery of items, non-adherence to warranty provisions and low-quality products from suppliers.

95. **The Board recommends that the Tribunal perform supplier evaluations of existing vendors prior to extending or renewing a contract with the same vendor.**

Ex post facto approval of contracts

96. Procurement Manual section 12.1.8 states, "(b) the 'ex post facto' cases may patently contradict the letter of the FRR, but may be accepted by the Organization under exceptional circumstances, provided all other United Nations procurement practices and procedures have been followed. However, 'ex post facto' cases shall be rare exceptions; and when they occur, written justification shall be provided to explain the reasons why timely presentation was not possible."

97. The Procurement Manual further states in section 9.5.2, in respect of special guidance on exigency situations, that "(a) Exigency is defined as 'an exceptional compelling and emergent need, not resulting from poor planning or management or from concerns over the availability of funds, that will lead to serious damage, loss or injury to property or persons if not addressed immediately'."

98. The Procurement Section of the Tribunal did not always seek approval from the Local Committee on Contracts prior to procuring goods and services under contracts that were already beyond their approved maximum award levels, resulting in the Committee's ex post facto approval. The Board noted that two contracts, as reflected in table 3, had exceeded their maximum award amounts (maximum approved overspending limit, which is normally set at 20 per cent of the original contract award) without prior approval. However, the Procurement Section continued procuring on the basis of these contracts.

Table 3
Contracts overspent

	Approved	*Overspent*	*Total*	
Contract	*(United States dollars)*			*Percentage overspent*
ICTR/CON/02/15	96 000	41 740	137 740	43.48
ICTR/CON/02/09	87 507	67 939	155 447	128.8
Total	**183 507**	**109 679**	**293 187**	

99. On the basis of the Local Committee on Contracts minutes dated 30 August 2005 (ICTR/LCC/05/07), the Tribunal informed the Board that the overspending in one of those cases was due to a mistake by the Procurement Section, as it did not verify the spending level at the time. The Committee's minutes dated 22 November 2005 (ICTR/LCC/05/08), revealed that the Chief Procurement Officer had stated that the overspending in the case of the other vendor was due largely to contract monitoring difficulties in the Procurement Section arising partly from various purchase orders being issued to the same supplier under the same contract (ICTR/CON/02/09). Purchase orders have been issued from different cost centres, such as those relating to defence witnesses, prosecution witnesses and detainees (United Nations detention facilities), making it more difficult to track the different levels of spending per department.

100. **The Board recommends that the Tribunal closely monitor ex post facto submissions and address the underlying causes of those submissions that do not meet the definition of exigency.**

101. The Tribunal informed the Board that the previous contract monitoring database had proved to be inadequate and the Procurement Section had developed a new spreadsheet-based monitoring tool.

Declaration of independence

102. Procurement Manual Section 4.1.5 states, "(d) The standard of conduct for all staff involved in the procurement process includes, but is not limited to: a. United Nations staff shall not allow any Vendor(s) access to information on a particular acquisition before such information is available to the business community at large. Further, staff shall not intentionally use unnecessarily restrictive or 'tailored' specifications or statements of work that can discourage competition. b. Staff shall not solicit or accept, directly or indirectly any promise of future employment from anyone who has or is seeking to obtain United Nations business. c. Staff shall not have a financial interest in any Vendors responding to a United Nations solicitation, and are prohibited from any involvement in the procurement action if they do. d. Staff shall not disclose proprietary and source selection information, directly or indirectly, to any person other than a person authorized to receive such information."

103. The oath of office signed by all employees was still the only declaration in force. There was no formal directive from the Tribunal to staff members associated with the procurement function requiring them to document their awareness with regard to section 4 of the Procurement Manual, which would provide the Tribunal with assurance that staff have read, fully understand and abide by the contents of section 4.

104. Personnel involved in the procurement process were also not required to disclose gifts and other forms of hospitality provided to them by suppliers. In addition, it could not be established whether all personnel involved operating outside the Procurement Section (staff who are responsible for the procurement requisitions and those awarding tenders to vendors/suppliers) had signed declarations of independence. Furthermore, it could not be established whether the Local Committee on Contracts members had signed a declaration of independence with regard to the suppliers selected.

105. The Tribunal informed the Board that the United Nations was in the process of compiling a plain-language guideline for the implementation of the essential ethical principles for United Nations staff working in the procurement process. In order to promote acceptance throughout the entire United Nations system, the plain-language guidelines were shared with other United Nations organizations in the Inter-Agency Procurement Working Group. The United Nations Administration anticipated that those guidelines, currently the subject of consultation within the United Nations system, once finalized, would be applicable to all United Nations staff members associated with the procurement process. The guidelines were expected to provide for declaration of independence forms as well, since there were no formal requirements in this regard.

106. **The Board recommends that the Tribunal, in consultation with the United Nations Procurement Service and the Inter-Agency Procurement Working Group, expedite the introduction of consistent directives on procurement ethics, including with regard to declarations of independence for all staff involved in the procurement process.**

107. **The Board further recommends that the Tribunal require its staff members associated with the procurement process to sign a declaration that they have read, fully understand and will abide by the contents of section 4 of the Procurement Manual, as an interim measure until the finalization and implementation of the plain-language guidelines for the implementation of the essential ethical principles for United Nations staff.**

United Nations Detention Facility agreement

108. The Board followed up on its finding in paragraph 104 of its previous report[1] that since 1996 the Tribunal had paid the Tanzanian Police and Prison Services in excess of $2.5 million without having a formal agreement in place. The Government of the United Republic of Tanzania agreed in September 2004 to the payment of $10 per officer per day to itself rather than directly to the prison officers. The United Nations Detention Facility agreement was amended to reflect that position. The agreement was forwarded to the Office of Legal Affairs for approval in December 2004. The Tribunal informed the Board that although it had made follow-up enquiries, as of May 2006 the Office of Legal Affairs had yet to respond on this matter.

109. **The Board reiterates its previous recommendation that the Tribunal formalize the agreement with the Tanzanian Police and Prison Services, in compliance with United Nations directives.**

15. Human resources management

Reference checks on new recruits

110. In paragraph 113 of its previous report,[1] the Board noted that reference checks for all new appointments were still not being performed. The Tribunal had indicated that reference checks consisted of the following three steps for all staff appointments, irrespective of the duration of the appointment:

(a) Contacting the candidate's previous employer to confirm employment;

(b) Confirming educational qualifications at the institution the candidate attended;

(c) Making contact with three references supplied by the candidate on the curriculum vitae.

111. A total of 202 staff members (both local and international) were recruited during the biennium under review. The Board was supplied with a reference-check report compiled and maintained by the Human Resources Records Section, which indicated that reference checks had been initiated for 129 (63 per cent) out of the 202 recruited staff members. Of these 129 attempted reference checks, only nine had been conducted in accordance with the steps indicated by the Tribunal. Therefore,

incomplete reference checks, or none at all, were done for 193 (95 per cent) recruited staff members.

112. **The Board reiterates its previous recommendation that the Tribunal conduct reference checks on all new eligible candidates in accordance with its agreed procedures and maintain accurate and complete records of such reference checks.**

General temporary assistance

113. In paragraph 116 of its previous report,[1] the Board recommended that the Tribunal take steps to use general temporary assistance funds in accordance with the purposes for which they were intended. As at 10 April 2006, the Tribunal continued utilizing the services of 136 personnel under general temporary assistance for extended periods of time. Five instances were also identified where staff members were listed as general temporary assistance personnel but were occupying posts under the approved staffing table. The Board recognizes that some of the positions may need to be filled for an extended period. Such positions should be identified and reclassified accordingly.

114. The Tribunal informed the Board that it had repeatedly articulated in its budget submissions that it relied heavily on the continued provision of general temporary assistance funds in order to meet high operational demands and to supplement the shortage of personnel to support heightened judicial activities. This was based on the recommended zero-growth policy in the budget allocation. In order for the Tribunal to optimize the available resources allocated, it had applied some temporary measures for using available vacant posts to cover the shortfall in general temporary assistance funding. This "flexibility" measure resorted to by the Tribunal was for administrative and payroll purposes only, pending the completion or finalization of the process of recruitment against such vacant posts. At the same time, necessary efforts were being undertaken under normal recruitment processes to consider the general temporary assistance personnel against the authorized posts on the basis of their merits and performance. The procedure for moving them from temporary to fixed-term positions would be done in accordance with the established regulations and rules.

115. **The Board reiterates its previous recommendation that the Tribunal take steps to use general temporary assistance funds in accordance with the purposes for which they were intended.**

116. **The Board further recommends that the Tribunal identify jobs considered to be required for extended periods that are being funded from resources allocated for general temporary assistance and reclassify them accordingly.**

Vacancy rates

117. The Tribunal's overall vacancy rate decreased from 13 per cent (136 of 1,042 posts) in 2004 to 11 per cent (118 of 1,042 posts) in 2005. Fifty-two Professional posts and 66 General Service posts were vacant as of April 2006. This remained unchanged from the 11 per cent overall vacancy rate reported in the previous biennium. The Board noted that some of the posts had been vacant from May 2002 to August 2004. However, the full extent of long-vacant posts could not be

determined, as the Field Personnel Management System was not being updated regularly.

118. The Tribunal informed the Board that it was working on a policy that would allow it to further bring down the vacancy rate and do away with extended vacancies at the Tribunal, giving due regard to the negative impact of the recruitment freeze imposed on the Tribunal by United Nations Headquarters in May 2004, which was lifted only in January 2005; the implementation by the organization of the exit strategies that brought about a high staff turnover rate and loss of attractiveness of career development for new applicants; the need to adjust, together with the Office of Human Resources Management and the United Nations Secretariat, the prevailing recruitment rules and procedures vis-à-vis the short lifespan of the Tribunal; and the scarcity of certain occupational groups within the United Nations system.

119. **The Board recommends that the Tribunal continue its efforts to reduce vacancy rates.**

120. **The Board further recommends that the Tribunal update on a regular basis the Field Personnel Management System.**

Pending education grants

121. The project goals of the Field Personnel Management System (FPMS) included the automation of personnel management in field missions for the following areas: post management, staff management and tracking of personnel actions, leave and attendance.

122. During the Board's review of personnel actions as per FPMS, it noted that as at 8 April 2006, 477 education grants were still "pending approval". Some of these grants were created in the system in 2001.

123. The Tribunal informed the Board that FPMS was also used for the monitoring and settlement of education grant claims. The system allowed the Tribunal to calculate correctly the entitlements and to keep track of the amounts reimbursed with a built-in cross-reference link to the maximum allowable expenses and maximum grant amount. For the Finance Section part, the approval function was performed in the Sun system financial package; therefore, it was not necessary for the education grant also to be approved in FPMS.

124. However, the Board was concerned about the accuracy and efficiency of the tracking process being performed in FPMS for education grants, as the Tribunal could be unnecessarily tracking grants that had already been approved. The risk also exists that duplicate education grants could be processed.

125. **The Board recommends that the Tribunal update the education grant information in the Field Personnel Management System to ensure that it agrees with the information in the Sun system to facilitate an effective and accurate monitoring process.**

Home leave

126. Staff members who are residing and serving outside their home country are eligible to visit their home country at United Nations expense for the purpose of spending in that country a reasonable period of time. Leave taken for this purpose is

referred to as home leave. In accordance with ST/AI/2000/20, section 10, a lump-sum request form (PT.1) has to be submitted to a human resources assistant two months before the departure date of the applicant.

127. Part D of the lump-sum request form has two options that could be taken for home leave: to accept the lump-sum option or not. The staff member must, within two calendar weeks after arrival from home leave, submit to the human resources assistant concerned the lump-sum travel form (PT.165), along with the approved travel request (PT.8), the used airline tickets and boarding passes and the United Nations laissez-passer or national passport containing the dates of arrival and departure from the country to which the travel was authorized. Failure to do so would result in recovery of the entitlement through payroll deduction.

128. The Board reviewed both staff members' personnel files and invoice-matching reports and could not obtain evidence that all documentation indicated above was completed and provided by staff members.

129. **The Board recommends that the Tribunal ensure that all the necessary supporting documentation is completed, attached and filed together for home-leave claims.**

Performance appraisal

130. The Performance Appraisal System (PAS) was designed to improve overall organizational performance on an annual basis by encouraging a higher level of involvement and motivation and increased staff participation. The system establishes a process for achieving responsibility and accountability in the execution of programmes approved by the General Assembly.

131. An important function of PAS is to promote two-way communication between staff members and supervisors on the goals to be achieved and the basis on which individual performance is assessed, as well as enhancing teamwork in the process.

132. According to the PAS rating distribution for the 2003-2004 cycle, of a population of 731 staff members, 63 (9 per cent) were not appraised, 18 of them in the Professional category and 45 in the General Service and related categories. In the 2004-2005 cycle, the number of employees not appraised decreased to 21 (2 per cent).

133. The e-PAS evaluation system is a management tool based on linking individual work plans with those of departments and offices, and it entails setting goals, planning and providing ongoing feedback. In addition to the important functions mentioned above, the system is also intended to encourage continuous learning and the planning of career development. Primary responsibility for timely execution, overall compliance and consistent and fair implementation rests with the head of department or office.

134. The Board noted that staff evaluations were not completed in timely fashion, which resulted in the performance contract not being discussed before the commencement of the relevant performance period. This is in contradiction of Performance Appraisal System directive ST/AI/2002/3, dated 20 March 2002. The Tribunal also had no e-PAS reporting tools available to enhance the monitoring and management capabilities of e-PAS. As a result, the Board could not verify the validity and correctness of all personnel evaluations completed.

135. The Tribunal informed the Board that, given the technical difficulties encountered in the two major duty stations of the Tribunal, some staff members' performance appraisals for the period 2002-2003 were done manually. Hard copies received from Kigali were already in the files of staff members. In connection with the reporting tools, or module, the Tribunal was working in coordination with the Office of Human Resources Management on the finalization of this project.

136. **The Board recommends that the Tribunal complete all personnel evaluations in a timely manner in order to improve the effectiveness of the Performance Appraisal System.**

137. **The Board further recommends that the Tribunal follow up with the staff-development services of the Office of Human Resources Management regarding the availability of reporting tools within e-PAS.**

16. Information and communication technology

Physical security

138. It was possible to gain access to the server room without any difficulty, as the door was not locked and no one was present in the room. The boxes to the network cabling and related switches were in all instances easily accessible. The uninterrupted power supplies were also located in the corridors of the Tribunal, accessible to all. The Board is concerned that these weaknesses in physical access controls may lead to theft of devices and/or unauthorized manipulation or deletion of critical data.

139. **The Board recommends that the Tribunal institute stricter physical security controls on access to all significant and critical information and communication technology equipment in order to prevent potential losses of critical equipment and data.**

General physical environment of the server room

140. The Board identified the following shortcomings in the Tribunal's main server room, where all critical data of the Tribunal were processed and stored:

(a) The server room had insufficient air-conditioning and humidity was not regulated. This may lead to damage and overheating of critical servers;

(b) The server room was not fire-resistant, and limited fire-prevention systems were in place. There was, for example, only one hand fire extinguisher in the room. Furthermore, there were combustible items stored in the room. The Board was informed that this was because there was insufficient storage space.

141. The Board is concerned that the inadequate physical protection of critical data of the Tribunal may lead to the Tribunal losing a significant amount or even all of its data in case of fire or flood.

142. **The Board recommends that the Tribunal improve the general environment of the server room in order to prevent, detect and report any dangers that may affect the continuous availability of critical data.**

17. Internal audit section

143. The internal audit section of the Tribunal had a workplan that was approved as part of the Office of Internal Oversight Services overall workplan. The approved plan included audits on such matters as the administration of entitlements, financial management/internal controls review and office of legal aid.

144. Audit reports finalized during the biennium were those on the Tribunal's administration of entitlements, one of them dealing with home leave, rental subsidy and security allowance (AA2004/260/02) and the other addressing organization and management, mobility, hardship and non-removal allowance, education grant and dependency allowance (AA2005/260/01). A third report, on legal aid, was still in progress in April 2006. Recommendations made by the internal audit section included those set out below.

145. Regarding home leave, it was recommended that an internal circular be issued consolidating the existing guidance into one circular, which should be placed on the Tribunal's bulletin board. It was also recommended that statistics be collected on the time required to process home-leave requests, for the purpose of establishing targets, milestones and a system for tracking and collecting information.

146. Regarding rental subsidy, it was recommended that the procedures for applying and receiving rental subsidy be communicated to staff members, as well as an explanation of the documentation required and how staff should be notified of rental subsidy calculations. It was further recommended that rental ceilings established in 2001 be reviewed.

147. Regarding security allowance, it was recommended that the Tribunal conduct random checks at staff members' residences to ensure that the security allowances paid to them were justified. It was further recommended that periodic reviews be conducted to ensure that allowances were in line with prevailing local conditions.

148. Regarding education grants, it was recommended that the Tribunal ensure that all claims for special education grants were supported by satisfactory medical evidence regarding a child's disability, as certified by the Medical Services Director in accordance with United Nations regulations and rules. It was further recommended that the Human Resources Section liaise with its counterparts in the United Nations Secretariat and suggest a modification to ST/AI/2004/2 to give greater flexibility in the recognition of online training.

149. Regarding the administrative arrangements related to the administration of entitlements, it was recommended that the filing system of the Tribunal be reviewed in line with the checklists used in the processing of documents as a tool in its records management. It was further recommended that the Tribunal collect statistics on the processing time frames for entitlements so that targets and milestones could be established, thereby improving the efficiency and timely completion of its operations. The Tribunal should also request the Office of Human Resources Management to provide web-based access to the Integrated Management Information System (IMIS) so that the information entered into IMIS at United Nations Headquarters could be reviewed by the Tribunal on a periodic basis to verify accuracy.

18. Fraud and presumptive fraud

150. As required under the Financial Regulations and Rules of the United Nations, the Tribunal reported to the Board six cases of fraud and presumptive fraud amounting to $33,333, of which $23,972 was recovered. In one of the cases, the Tribunal found that no wrongdoing/fraud had been committed.

(a) Fraudulent medical bills with a value of $28,996 were submitted by an employee (Kigali office), and subsequent payments in that amount were made to the employee. These medical claims were processed and paid on behalf of the Tribunal by an external service provider. The Tribunal informed the Board that these payments were made due to improper verification and vetting of the bills submitted for payment. The Tribunal recovered $23,672 after detection of the fraud. The official was charged with fraud and failure to meet the highest standards of integrity expected of international civil servants in accordance with staff regulation 1.2 (b);

(b) An automatic voltage regulator for generators was stolen. Tribunal security personnel conducted an investigation and concluded that one of the employees of the Tribunal (Kigali office) was guilty of the offence. The regulator was valued at $300. No recovery was initiated, but disciplinary measures were being initiated;

(c) As part of a routine reconciliation of coupons, the Tribunal found that 18 fuel coupons valued at $360 were missing at the Tribunal's Kigali Transport Section. The Tribunal informed the Board that it had sent an official letter to the oil company concerned requesting it to stop redemption of the missing coupons by unauthorized persons. By the time the circular was issued to the filling stations, three of the coupons ($60) had already been used to withdraw fuel. The remaining 15 coupons were stopped. The Board was informed that the theft of the coupons was due to negligence on the part of the custodian in safeguarding them, and that this implicated a staff member as well. No remedial action had been taken as of April 2006. The Tribunal informed the Board that the use of coupons was now being restricted only to emergency situations in which their use was fully justified by the distance to be travelled. The custodianship had been changed and was being vested in the hands of the administrative officer in Kigali;

(d) Fuel (4,000 litres) with a value of $3,520 was reported missing at the Tribunal's Amahoro complex, in Kigali. The official suspected of the theft was put on suspension with full pay subject to the outcome of the investigation. The official was subsequently exonerated of any wrongdoing; therefore, no recovery had been made;

(e) A telecommunications technician at the Kigali office allegedly made international telephone calls worth $157 through the Tribunal's telephone lines without using the required personal identification number. The Board was informed that the alleged fraud was detected by the Tribunal during a routine verification of the billing system and was subsequently reported to the relevant officials. No action had been taken against the official concerned, as the case was still under investigation.

Fraud-prevention strategy

151. In paragraph 134 of its previous report,[1] the Board recommended that the Tribunal develop and approve a fraud-prevention strategy in coordination with the administrations of the United Nations and the other funds and programmes.

152. The Tribunal had adopted some measures to implement the recommendation. A working group on a crisis-prevention strategy was established by the Tribunal in January 2004 to strengthen the framework of internal management practices and control in three significant areas of risk (human resources, finance and asset management). The working group, which was composed of junior and mid-level professionals, worked under the guidance of the Chief Administrative Officer and the internal auditor. It completed its work in April 2004 and presented a report identifying the areas of weakness and proposing measures to prevent management crises in the areas mentioned above. The crisis-prevention strategy was approved by the Registrar and conveyed to the managers concerned on 26 May 2004.

153. Although some steps have been taken to identify mechanisms to deal with fraud, a fraud-prevention strategy was yet to be compiled as at 11 April 2006. The crisis-prevention strategy dealt mainly with the human resources, finance and assets management cycles, specifically addressing weaknesses and measures to prevent management crises.

154. The crisis-prevention strategy did not address the definition of fraud; actions that constitute fraud; how the Tribunal intends to create fraud awareness among employees; reporting of fraud (actions required of employees and of management when fraud is suspected); how allegations of fraud will be dealt with; protection of whistle-blowers; and, most importantly, the application of preventive controls and detection mechanisms.

155. The United Nations had initiated very important steps in this direction. The setting up of the Ethics Office and the introduction of financial disclosure statements (see ST/SGB/2006/6) were notable in this respect. The Tribunal indicated that each section/unit had internal controls and systems in place, modelled on the best practices of the United Nations and within the framework of the applicable rules and regulations and administrative procedures. The Tribunal also indicated that in its opinion, these internal controls and systems were aimed at achieving optimum performance and efficient use of resources and helping to establish accountability and prevent fraud to the extent possible.

156. The Board is of the view, however, that the current systems and controls in place to prevent and detect fraud are insufficient.

157. **The Board reiterates its previous recommendation that the Tribunal develop and approve a fraud-prevention strategy in coordination with the administrations of the United Nations and the other funds and programmes.**

C. Acknowledgement

158. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended to its staff by the President, Prosecutor, Registrar and staff of the International Criminal Tribunal for Rwanda.

(*Signed*) Shauket A. **Fakie**
Auditor-General of the Republic of South Africa
(Lead auditor)

(*Signed*) Guillermo N. **Carague**
Chairman, Philippine Commission on Audit
(Chairman, United Nations Board of Auditors)

(*Signed*) Philippe **Séguin**
First President of the Court of Accounts of France

28 July 2006

Note: The Philippine and South African members of the Board have signed only the original English version of the present report. The French member of the Board has signed both the English and the French versions.

Annex

Summary of status of implementation of recommendations for the biennium ended 31 December 2003

Topic	*Biennium first reported*	*Implemented*[a]	*Under implementation*[a]	*Not implemented*[a]	*Total*	*Reference in the present report*
Netting off of accounts receivable and accounts payable	2002-2003	Paragraph 26	—	—	1	—
Non-expendable equipment	1998-1999	Paragraphs 22 and 33	—	—	2	—
Liability for post-retirement benefits for judges	2002-2003	—	Paragraph 30	—	1	Paragraphs 31-33
Human resources management	2002-2003 2000-2001	Paragraph 124 (a)-(c)	—	Paragraph 122 Paragraph 114 (a) and (b) Paragraph 116	9	Paragraphs 117-119 Paragraphs 110-112 Paragraphs 113-116
Procurement	2002-2003	Paragraphs 105 (a) and (b) and 110	Paragraph 105 (c)	Paragraph 108	5	Paragraphs 108-109 Paragraphs 75-77
Performance management	2002-2003	Paragraph 100 (b)	Paragraph 100 (a)	—	2	Paragraphs 64-67
Defence counsel expenditure	2002-2003	Paragraph 70 (a) and (b)		—	2	
Witness costs	2002-2003	Paragraph 76 (a) and (b)	—	—	2	
Legal aid	2000-2001	Paragraph 61	Paragraph 64	—	2	Paragraphs 50-52
Completion strategy	2002-2003	Paragraph 46 (a) and (c)	—	Paragraph 46 (b)	3	Paragraphs 42-44
Indictees not arrested	2002-2003	Paragraph 50	—	—	1	—
Language services	2002-2003	Paragraph 85	—	—	1	—
Court management services	2000-2001	Paragraph 93	—	—	1	—
Office of the Prosecutor	2002-2003	Paragraph 95 (a) and (b)	—	—	2	
Information and communication technology	2002-2003	Paragraphs 126, 129 and 131 (a)-(c)	—	—	5	—
Fraud-prevention strategy	2002-2003	—	—	Paragraph 134	1	Paragraphs 151-157
Total					**40**	
Number		**29**	**4**	**7**	**40**	
Percentage		**73**	**10**	**17**	**100**	

[a] See *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 5K* (A/59/5), chap. II.

Chapter III
Audit opinion

We have audited the accompanying financial statements of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994, comprising statements numbered I to IV and the supporting notes for the biennium ended 31 December 2005. These financial statements are the responsibility of the Secretary-General of the United Nations. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency and with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Secretary-General, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the International Criminal Tribunal for Rwanda as at 31 December 2005 and the results of its operations and its cash flows for the biennium then ended, in accordance with the United Nations system accounting standards.

Furthermore, in our opinion, the transactions of the International Criminal Tribunal for Rwanda that have come to our notice and that we have tested as part of our audit have in all significant respects been in accordance with the Financial Regulations and legislative authority.

In accordance with article VII of the Financial Regulations, we have also issued a long-form report on our audit of the International Criminal Tribunal for Rwanda.

(*Signed*) Shauket A. **Fakie**
Auditor-General of the Republic of South Africa
(Lead Auditor)

(*Signed*) Guillermo N. **Carague**
Chairman, Philippine Commission on Audit
(Chairman, United Nations Board of Auditors)

(*Signed*) Philippe **Séguin**
First President of the Court of Accounts of France

28 July 2006

Note: The Philippine and South African members of the Board have signed only the original English version of the audit opinion. The French member of the Board has signed both the English and the French versions.

Chapter IV

Certification of the financial statements

1. The financial statements of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the biennium 2004-2005 ending 31 December 2005 have been prepared in accordance with financial rule 106.10.

2. The summary of significant accounting policies applied in the preparation of the statements is included as notes to the financial statements. The notes provide additional information on and clarification of the financial activities undertaken by the Organization during the period covered by the statements, for which the Secretary-General has administrative responsibility.

3. I certify that the appended financial statements of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994, numbered I to IV, are correct.

(*Signed*) Warren **Sach**
Assistant Secretary-General
Controller
31 March 2006

Chapter V

Financial statements for the biennium ended 31 December 2005

Statement I

International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 a/

Statement of income and expenditure and changes in reserves and fund balances
for the biennium 2004-2005 ending 31 December 2005
(Thousands of United States dollars)

	2005	*2003 b/*
Income		
Assessed contributions c/	260 427	201 785
Funding from reserves and fund balances	-	933
Interest income	945	1 378
Other/miscellaneous income	983	1 159
Total income	**262 355**	**205 255**
Expenditure		
Staff and other personnel costs	206 949	161 106
Travel	9 242	9 084
Contractual services	17 631	18 581
Operating expenses	12 409	13 561
Acquisitions	4 376	5 159
Other	1 927	852
Total expenditure	**252 534**	**208 343**
Excess (shortfall) of income over expenditure	**9 821**	**(3 088)**
Savings on or cancellation of prior-periods obligations	5 574	1 130
Transfers from surplus	-	(933)
Reserves and fund balances, beginning of period	2 616	5 507
Reserves and fund balances, end of period	**18 011**	**2 616**

a/ See notes 2 and 3.
b/ Reclassified to conform to current presentation.
c/ In accordance with General Assembly resolutions 58/253 and 59/273, assessments for the International Tribunal are based in part on the scale of assessment applicable to the United Nations regular budget and in part on the scale of assessment applicable to peacekeeping operations.

The accompanying notes are an integral part of the financial statements.

Statement II

International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 a/

Statement of assets, liabilities and reserves and fund balances as at 31 December 2005
(Thousands of United States dollars)

	2005	*2003*
Assets		
Cash and term deposits	2 160	2 535
Cash pool b/	10 622	1 278
Assessed contributions receivable from Member States c/	11 367	34 816
Interfund balances receivable	2 382	2 148
Other accounts receivable	3 172	4 186
Deferred charges	5 487	6 992
Inter-office transactions pending processing	180	575
Total assets	**35 370**	**52 530**
Liabilities		
Contributions or payments received in advance	9	12
Unliquidated obligations - current period	11 759	14 752
Unliquidated obligations - future periods	3 844	5 639
Due to the United Nations Assistance Mission for Rwanda	-	4 000
Due to the United Nations Observer Mission in Angola	-	6 000
Due to the United Nations Transition Assistance Group	-	6 000
Due to the United Nations Preventive Deployment Force	-	12 000
Other accounts payable	1 740	1 476
Inter-office transactions pending processing	7	35
Total liabilities	**17 359**	**49 914**
Reserves and fund balances		
Cumulative surplus	18 011	2 616
Total reserves and fund balances	**18 011**	**2 616**
Total liabilities and reserves and fund balances	**35 370**	**52 530**

a/ See notes 2 and 3.

b/ Represents share of the United Nations Headquarters cash pool and comprises cash and term deposits of $1,655,118, short-term investments of $4,843,632 (market value $4,843,632), long-term investments of $4,057,058 (market value $4,004,814) and accrued interest receivable of $66,267.

c/ Includes assessed contributions unpaid irrespective of collectability.

The accompanying notes are an integral part of the financial statements.

Statement III

International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 a/

Statement of cash flows for the biennium 2004-2005 ending 31 December 2005
(Thousands of United States dollars)

	2005	*2003 b/*
Cash flows from operating activities		
Excess (shortfall) of income over expenditure (statement I)	9 821	(3 088)
(Increase) decrease in contributions receivable	23 449	(15 045)
Increase (decrease) in inter-fund balances receivable	(234)	(2 148)
(Increase) decrease in other accounts receivable	1 014	(614)
(Increase) decrease in deferred charges	1 505	(6 061)
Increase (decrease) in other assets	395	396
(Increase) decrease in contributions or payments received in advance	(3)	(1)
Increase (decrease) in unliquidated obligations	(4 788)	14 313
Increase (decrease) in inter-fund balances payable	-	(15 225)
Increase (decrease) in other accounts payable	264	(2 474)
Increase (decrease) in other liabilities	(28)	(77)
Less: interest income	(945)	(1 378)
Net cash flows from operating activities	**30 450**	**(31 402)**
Cash flows from financing activities		
Increase (decrease) in loans payable	(28 000)	28 000
(Increase) decrease in cash pool	(9 344)	(165)
Plus: interest income	945	1 378
Net cash flows from investing activities	**(36 399)**	**29 213**
Cash flows from financing activities		
Savings on, or cancellation of, prior-periods obligations	5 574	1 130
Transfers from reserves and fund balances	-	(933)
Net cash flows from financing activities	**5 574**	**197**
Net increase (decrease) in cash and term deposits	(375)	(1 992)
Cash and term deposits, beginning of period	2 535	4 527
Cash and term deposits, end of period c/	**2 160**	**2 535**

a/ See notes 2 and 3.
b/ Reclassified to conform to current presentation.
c/ Cash and term deposits does not include cash and term deposits in the cash pool. Refer to footnote b/ in statement II.

The accompanying notes are an integral part of the financial statements.

Statement IV

International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

Statement of appropriations for the biennium 2004-2005 ending 31 December 2005
(Thousands of United States dollars)

	Programme of Work	Appropriations	Expenditures			
		Approved a/	Disbursements	Unliquidated obligations	Total expenditure	Balance
A.	The Chambers	8 487	8 069	189	8 258	229
B.	Office of the Prosecutor	55 640	53 374	1 649	55 023	617
C.	Registry	163 503	153 523	9 921	163 444	59
D.	Staff assessment	24 972	25 809	-	25 809	(837)
	Total	252 602	240 775	11 759	252 534	68

a/ The appropriations for 2004-2005 were approved under General Assembly resolutions 58/253, 59/273 and 60/240.

Notes to the financial statements

Note 1
United Nations and its activities

(a) The Charter of the United Nations was signed on 26 June 1945 and came into force on 24 October 1945. The Organization's primary objectives, to be implemented through its five major organs, were as follows:

(i) The maintenance of international peace and security;

(ii) The promotion of international economic and social progress and development programmes;

(iii) The universal observance of human rights;

(iv) The administration of international justice and law;

(v) The development of self-government for Trust Territories.

(b) The General Assembly focuses on a wide range of political, economic and social issues, as well as financial and administrative aspects of the Organization.

(c) Under the direction of the Security Council, the Organization has been involved in various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance and facilitate post-conflict peacebuilding; engaging in humanitarian activities to ensure the survival of groups deprived of basic needs; and overseeing the prosecution of persons responsible for serious violations of international humanitarian law.

(d) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems.

(e) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions.

(f) The Trusteeship Council completed its primary functions in 1994 with the termination of the Trusteeship Agreement for the last United Nations Trust Territory.

Note 2
Summary of significant accounting and financial reporting policies of the United Nations

(a) The accounts of the United Nations are maintained in accordance with the Financial Regulations and Rules of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the financial regulations and administrative instructions issued by the Under-Secretary-General for Management, or the Controller. They also take fully into account the United Nations system accounting standards, as adopted by the Administrative Committee on Coordination, since replaced by the United Nations System Chief Executives Board for Coordination (CEB). The Organization follows

International Accounting Standard 1, "Presentation of financial statements", regarding the disclosure of accounting policies, as modified and adopted by CEB, as shown below:

(i) Going concern, consistency, and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, the disclosure of such assumptions is not required. If a fundamental accounting assumption is not followed, that fact should be disclosed together with the reasons;

(ii) Prudence, substance over form and materiality should govern the selection and application of accounting policies;

(iii) Financial statements should include clear and concise disclosure of all significant accounting policies that have been used;

(iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. These policies should normally be disclosed in one place;

(v) Financial statements should show comparative figures for the corresponding period of the preceding financial period;

(vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified.

(b) The Organization's accounts are maintained on a fund-accounting basis. Separate funds for general or special purposes may be established by the General Assembly, the Security Council or the Secretary-General. Each fund is maintained as a distinct financial and accounting entity with a separate self-balancing double-entry group of accounts. Separate financial statements are prepared for each fund or for a group of funds of the same nature.

(c) The financial period of the Organization is a biennium and consists of two consecutive calendar years for all funds other than peacekeeping accounts, which are reported on a fiscal-year basis covering the period from 1 July to 30 June.

(d) Generally, income, expenditure, assets and liabilities are recognized on the accrual basis of accounting. For assessed income, the policy set out in paragraph (j) (ii) below applies.

(e) The accounts of the Organization are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transaction at rates of exchange established by the United Nations. In respect of such currencies, the financial statements shall reflect the cash, investments, unpaid pledges and current accounts receivable and payable in currencies other than the United States dollar, translated at the applicable United Nations rate of exchange in effect as at the date of the statements. In the event that the application of actual exchange rates at the date of the statements would provide a valuation materially different from the application of the Organization's rate of exchange for the last month of the financial period, a footnote will be provided quantifying the difference.

(f) The Organization's financial statements are prepared on the historical cost basis of accounting and are not adjusted to reflect the effects of changing prices for goods and services.

(g) The cash flow summary statement is based on the indirect method of cash flows as referred to in the United Nations system accounting standards.

(h) The Organization's financial statements are presented in accordance with the ongoing recommendations of the working party on accounting standards of CEB.

(i) Separate financial statements are issued for the United Nations general and related funds, for the United Nations Iraq escrow accounts, for the United Nations Compensation Commission, for the International Tribunal for the Former Yugoslavia under the provisions of Security Council resolutions 808 (1993) and 827 (1993), for the International Criminal Tribunal for Rwanda under the provisions of Security Council resolution 955 (1994) and for the peacekeeping accounts, which are reported separately on a fiscal-year basis covering the period from 1 July to 30 June.

(j) Income:

(i) The amounts necessary to finance the activities of the United Nations regular budget and peacekeeping operations, the capital master plan, the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda, as well as the Working Capital Fund, are assessed on Member States in accordance with the scale of assessments determined by the General Assembly;

(ii) Income is recognized when assessments on Member States have been authorized by the General Assembly. Neither appropriations nor spending authorities are recognized as income except to the extent that a matching assessment on Member States has been levied;

(iii) Amounts assessed on non-Member States that agree to pay reimbursement of costs for their participation in the Organization's treaties, organs and conferences are credited to miscellaneous income;

(iv) Voluntary contributions from Member States and other donors are recorded as income on the basis of a written commitment to pay monetary contributions at specified times within the current financial period. Voluntary contributions made in the form of services and supplies that are acceptable to the Secretary-General are credited to income or are noted in the financial statements;

(v) Income received under inter-organization arrangements represents the allocation of funding from agencies to enable the Organization to administer projects or other programmes on their behalf;

(vi) Allocations from other funds represent monies appropriated or designated from one fund for transfer to and disbursement from another fund;

(vii) Income for services rendered includes amounts charged for salaries of staff members and other costs that are attributable to the provision of technical and administrative support to other organizations;

(viii) Interest income includes all interest earned on deposits in various bank accounts, investment income earned on marketable securities and other negotiable instruments and investment income earned in the cash pools. All realized losses and net unrealized losses on short-term investments are offset against investment income. Investment income and costs associated with the operation of investments in the cash pools are allocated to participating funds;

(ix) Miscellaneous income includes income from the rental of premises, the sale of used or surplus property, refunds of expenditures charged to prior periods, net gains resulting from currency translations, settlements of insurance claims, amounts assessed on new Member States for the year of admission to the United Nations, amounts assessed on non-Member States as stated in paragraph (j) (iii) above, monies accepted for which no purpose was specified and other sundry income;

(x) Income relating to future financial periods is not recognized in the current financial period and is recorded as deferred income, as referred to in paragraph (m) (iii) below.

(k) Expenditure:

(i) Expenditures are incurred against authorized appropriations or commitment authorities. Total expenditures reported include unliquidated obligations and disbursements;

(ii) Expenditures incurred for non-expendable property are charged to the budget of the period when acquired and are not capitalized. The inventory of such non-expendable property is maintained at the historical cost;

(iii) Expenditures for future financial periods are not charged to the current financial period but are recorded as deferred charges, as referred to in item (l) (vi) below.

(l) Assets:

(i) Cash and term deposits represent funds held in demand-deposit accounts and interest-bearing bank deposits;

(ii) Investments include marketable securities and other negotiable instruments acquired by the Organization to produce income. Short-term investments are stated at the lower of cost or market value; long-term investments are stated at cost. Cost is defined as the nominal value plus or minus any unamortized premium or discount. The market value of investments is disclosed in the footnotes to the financial statements;

(iii) Cash pools comprise participating funds' share of cash and term deposits, short-term and long-term investments and accrual of investment income, all of which are managed in the pools. The investments in the cash pools are similar in nature and are accounted for as set out in item (l) (ii) above. The share in the cash pools is reported separately in each participating fund's statement, and its composition and the market value of its investments are disclosed in a footnote to the statement;

(iv) Assessed contributions represent legal obligations of contributors, and therefore the balances of unpaid assessed contributions due from Member

States are reported irrespective of collectability. It is the policy of the United Nations not to make provision for delays in the collection of such assessments;

(v) Inter-fund balances reflect transactions between funds and are included in the amounts due to and from the United Nations General Fund. Inter-fund balances also reflect transactions directly with the United Nations General Fund. Inter-fund balances are settled periodically, depending on the availability of cash resources;

(vi) Deferred charges normally comprise expenditure items that are not properly chargeable to the current financial period. They will be charged as expenditure in a subsequent period. These expenditure items include commitments approved by the Controller for future financial periods in accordance with financial rule 106.7. Such commitments are normally restricted to administrative requirements of a continuing nature and to contracts or legal obligations where long lead times are required for delivery;

(vii) For purposes of the balance sheet statements only, those portions of education grant advances that are assumed to pertain to the scholastic years completed as at the date of the financial statement are shown as deferred charges. The full amounts of the advances are maintained as accounts receivable from staff members until the required proofs of entitlement are produced, at which time the budgetary accounts are charged and the advances settled;

(viii) Maintenance and repairs of capital assets are charged against the appropriate budgetary accounts. Furniture, equipment, other non-expendable property and leasehold improvements are not included in the assets of the Organization. Such acquisitions are charged against budgetary accounts in the year of purchase. The value of non-expendable property is disclosed in notes to the financial statements.

(m) Liabilities, reserves and fund balances:

(i) Operating and other types of reserves are included in the totals for reserves and fund balances shown in the financial statements;

(ii) Unliquidated obligations for future years are reported both as deferred charges and as unliquidated obligations;

(iii) Deferred income includes pledged contributions for future periods, advances received under revenue-producing activities and other income received but not yet earned;

(iv) The commitments of the Organization relating to prior, current and future financial periods are shown as unliquidated obligations. Current-period obligations related to the regular budget and special accounts remain valid for 12 months following the end of the biennium to which they relate. Obligations for most technical cooperation activities remain valid for 12 months after the end of each calendar year. Unliquidated obligations relating to amounts owed by peacekeeping operations to Member States may be retained for a period of five years beyond the end of the financial period. Unliquidated obligations relating to funds of a multi-year nature remain valid until the completion of the project;

(v) Contingent liabilities, if any, are disclosed in the notes to the financial statements;

(vi) The United Nations is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined-benefit plan. The financial obligation of the Organization to the Pension Fund consists of its mandated contribution at the rate established by the General Assembly together with its share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are payable only if and when the General Assembly has invoked article 26, following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as at the valuation date. As at the date of the current financial statement, the General Assembly had not invoked that provision.

Note 3
International Criminal Tribunal for Rwanda (statements I-IV)

(a) The International Criminal Tribunal for Rwanda was established by the Security Council in its resolution 955 (1994). The Tribunal consists of the following organs:

(i) The Chambers, comprising three Trial Chambers and an Appeals Chamber. The Trial Chambers are composed of nine permanent judges, no two of whom may be nationals of the same State, and a maximum of nine ad litem judges. The Appeals Chamber, which is composed of seven judges, services both the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia;

(ii) The Prosecutor, who is responsible for the investigation and prosecution of persons responsible for serious violations of international humanitarian law committed in the territory of Rwanda and Rwandan citizens responsible for such violations committed in the territory of neighbouring States between 1 January and 31 December 1994. The Prosecutor acts independently as a separate organ of the Tribunal;

(iii) A Registry, which services both the Chambers and the Prosecutor and is responsible for the administration and servicing of the Tribunal.

(b) The General Assembly, in its resolutions 58/253 and 59/273, approved the funding of the budget appropriations for the biennium 2004-2005. Annual budget apportionments are funded by assessments on Member States, 50 per cent in accordance with the scale of assessments applicable to the United Nations regular budget and 50 per cent in accordance with the scale of assessments applicable to peacekeeping operations. States and intergovernmental and non-governmental organizations also contribute funds, equipment and services to the Trust Fund to support the activities of the International Tribunal for Rwanda in carrying out its mandate. The financial statements for the Tribunal are prepared every 12 months, with a final accounting at the end of the biennium.

(c) Statement I reports income and expenditure and changes in the reserves and fund balances during the financial period. It includes the calculation of the

excess of income over expenditure for the current period and prior-period adjustments of income or expenditure.

(d) Statement II shows assets, liabilities, reserves and fund balances as at 31 December 2005. Excluded from the assets is the value of non-expendable property (see note 6).

(e) Statement III shows the cash flows for the period and is prepared using the indirect method of cash flows, as referred to in the United Nations system accounting standards.

(f) Statement IV reports on expenditures against the appropriation approved for the biennium.

Note 4
Status of appropriations

In accordance with General Assembly resolutions 58/253, 59/273 and 60/240, the appropriations and gross assessments for the biennium 2004-2005 are as follows:

(Thousands of United States dollars)

	2004	*2005*	*Total*
Initial budget appropriation (resolution 58/253)	117 662	117 663	235 325
Add: proposed changes	—	25 647	25 647
Less: projected savings	—	(5 062)	(5 062)
Revised appropriate (resolution 59/273)	117 662	138 248	255 910[a]
Add: requirements arising from the final appropriation for the biennium 2002-2003 (resolution 58/253)	4 517	—	4 517
Gross amounts assessed on Members States	122 179	138 248	260 427

[a] In accordance with General Assembly resolution 60/240, the total appropriation for the biennium 2004-2005 was reduced to $252,602,200; there was no change in assessments for 2004-2005.

Note 5
Assets, liabilities, reserves and fund balances (statement II)

(a) The cash and term deposits figure represents the total cash balance (including funds held in local currency) at United Nations Headquarters and at the offices away from Headquarters.

(b) Assessed contributions unpaid:

(i) The assessed contributions receivable as at 31 December 2005 have been recorded in accordance with the Financial Regulations and Rules of the United Nations, the relevant resolutions of the General Assembly and the policy of the United Nations. On the basis of that policy, no provision has been made for delays in the collection of outstanding assessed contributions;

(ii) The details of assessed contributions receivable are shown in the report on the status of contributions as at 31 December 2005 (ST/ADM/SER.B/673,

annex XXIII). The report shows total unpaid assessments of $11,375,694, compared with $11,366,828 in the assessed contributions receivable account in the financial statements. Credits of $8,866 were not applied in the report on the status of contributions, due to its early issuance. Amounts due from the former Yugoslavia, which ceased to be a Member State on 1 November 2000, are included in the assessed contributions receivable account in the financial statements and also in the status of contributions report. However, no action has been taken in the accounts, as there is no specific General Assembly resolution on this matter. Of the total unpaid assessments, the amount of $3,593,999 is over one year old, and $7,772,829 is less than one year old.

(c) Other accounts receivable. The following is the composition of the other accounts receivable as at 31 December 2005 compared with those as at 31 December 2003:

(Thousands of United States dollars)

	2005	*2003*
Governments	228	248
Staff members	2 305	3 268
Vendors	137	202
Specialized agencies	164	148
Other United Nations entities	338	320
Total	**3 172**	**4 186**

(d) Other accounts payable. The following is the composition of the other accounts payable balances as at 31 December 2005 compared with those as at 31 December 2003:

(Thousands of United States dollars)

	2005	*2003*
Staff members	526	377
Vendors	162	206
Specialized agencies	29	401
Other United Nations entities	141	110
Provision for repatriation grant	882	382
Total	**1 740**	**1 476**

Note 6
Non-expendable property

In accordance with United Nations accounting policies, non-expendable property is charged against the current allotment in the year of purchase. The

Tribunal's non-expendable property, valued at historical cost, according to its cumulative inventory records was as follows:

(Thousands of United States dollars)

Balance, 1 January 2004	14 475
Acquisitions	3 579
Write-offs: accidents, theft and damage	(63)
Write-offs: obsolescence and other	(830)
Balance, 31 December 2005*	**17 161**

* Includes $175,525 for non-expendable property approved for write-off but not yet disposed of and $807,765 for non-expendable property pending approval for write-off.

Note 7
Liabilities for end-of-service and post-retirement benefits

(a) The Tribunal has not specifically recognized in any of its financial accounts liabilities for after-service health insurance costs or the liabilities for other types of end-of-service payments that will be owed when staff members leave the Tribunal. Actual payments made in each financial period are reported as current expenditures.

(b) In order to gain a better understanding of the financial dimensions of the Tribunal's liabilities for after-service health insurance, a consulting actuary was engaged to carry out an actuarial valuation of post-retirement health benefits. It is estimated that the Tribunal's liability as at 31 December 2005 is as follows:

(Thousands of United States dollars)

	Present value of future benefits	*Accrued liability*
Gross liability	59 150	33 000
Offset from retiree contributions	(14 585)	(8 306)
Net liability	**44 565**	**24 694**

(c) The figures shown above for the present value of future benefits are the discounted values of all benefits to be paid in the future to all current retirees and active employees expected to retire. The accrued liabilities represent those portions of the present values of benefits that have accrued from the staff members' dates of entry on duty until the valuation date. Active staff members' benefits are fully accrued on the date on which they become fully eligible for benefits.

(d) Staff members who separate from the Tribunal are entitled to be paid for any unused vacation days they may have accrued up to a maximum of 60 days. The total liability for such unpaid accrued vacation compensation as at 31 December 2005 is estimated to be $10.6 million.

(e) Some staff members are entitled to repatriation grants and payment of related relocation expenditures upon their separation from the Organization based on the number of years of service. The total liability for such unpaid repatriation and relocation entitlements as at 31 December 2005 is estimated to be $7.9 million.

(f) General Assembly resolution 58/264 amended the conditions under which judges of the Tribunal are entitled to pension upon their retirement. The accrued liability for such pension benefits is not provided for in the accounts, and actual payments made are charged to current expenditures. As part of the completion of operations of the Tribunal, the Assembly may be requested to consider a mechanism to fund the accrued pension liability for judges.

Note 8
Future operations

Security Council resolution 1534 (2004) emphasized the importance of fully implementing the completion strategies set out in its resolution 1503 (2003), in which the Council called for the Tribunal to take all possible measures to complete investigations by 2004, to complete all trial activities at the first instance by the end of 2008 and to complete all work in 2010, and urged the Tribunal to plan and act accordingly. The Tribunal is taking measures to expedite its work accordingly and provides periodic reports to the Council. The Tribunal also prepared a report to the General Assembly on a number of issues related to the completion of operations of the Tribunal, including staff retention and legacy issues. A further report on legacy issues is to be submitted to the Assembly outlining long-term liabilities that will need to be appropriately funded.

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